

Mr. Speaker, I call on the Congress to act quickly on H.R. 1415. If we can prevent a tragedy like the one that occurred at the Our Lady of Peace Church with a simple voice vote, why should we not do it right away?

**HOWARD DEAN AND WASTE,
FRAUD, AND ABUSE**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mrs. BLACKBURN) is recognized for 5 minutes.

Mrs. BLACKBURN. Mr. Speaker, I had planned to come down to the floor tonight and talk a little bit about some of the things that I had heard from the constituents in my district; but before I get to that, I have to address some of the comments that have been made by Democratic National Committee Chairman Howard Dean.

Everyone knows that Mr. Dean has a reputation for making outrageous and inaccurate statements, and that is really no secret. But one would think he would have toned down the false statements and the unfounded insults, given his new role as leader of the Democratic Party.

In the past month, Mr. Dean has said the House majority leader ought to "go back to Houston where he can serve his jail sentence." Mr. Speaker, that is despite the fact that the leader has not been accused or convicted of a crime.

This past week, Mr. Dean said, Republicans never made an honest living in their lives. He actually thought that was a reasonable, responsible comment. And this is just so asinine, so juvenile, that it is hard to believe that the Democratic Party would choose him to lead their party.

Mr. Speaker, the next example is so awful and so incredibly sad, I really hate to repeat it, but sometimes it is the light of truth that is the only thing that will stop people from saying things like this. In February, while addressing a group of African American Democrats, Mr. Dean said, "You think the Republican National Committee could get this many people of color in a single room? Only if they had the hotel staff in here."

I cannot fathom what is going through his head when he makes comments like these. It is increasingly apparent that he is out of touch with America and with people who do not march in lockstep with his view. We should not just let these comments slide. He is speaking for one of the Nation's major political parties, and his comments are out of line. I am glad to see that several Democratic Members in the House and Senate have disavowed his remarks, and I would hope that minority leaders PELOSI and REID would join them.

If Mr. Dean would like, maybe we should introduce him to plenty of good, hard-working conservatives who have never been given a single solitary thing, people who have made it on

their own; people who have built a business, who talk about the sweat equity that is in their business, because they have not only built it with their heart, they have built that business with their hands. They deserve the same respect any other American deserves, regardless of the party, because they know what a hard day's work is all about.

Mr. Dean's attitude and his comments are exactly why his party has failed for a decade to win back either the White House or Congress.

Mr. Speaker, I do not want to end my comments today without discussing some of the things my constituents and I have been talking about back in Tennessee. Like many of my colleagues, I have spent a great week talking with people in my district and getting their take on what we are doing or not doing here in Washington. This is one of the very best parts of my job.

I learned so much from the listening sessions in my district. We talked about our military; we honored our veterans; and, Mr. Speaker, we talked about issues like government spending, illegal immigration, and waste, fraud, and abuse, which are at the top of the list. And it is waste, fraud, and abuse that I want to touch on tonight for just a few minutes.

I have been working over the past months to target the tremendous number of taxpayer dollars that get wasted each and every year right here in Washington, and I want my colleagues to know that the folks back home are talking about this issue. They want to remind us that government has a spending problem, and that when we spend wisely, we spend less. I heard time and again from my constituents, it is a spending problem, it is a spending problem that you folks in Washington have. You do not know how to say no. They know that when we spend less and when we spend wisely, everybody benefits, especially future generations; and they know there is plenty of room, ample room for reform when it comes to government spending. They support the President's plan to reduce and eliminate underperforming programs and agencies, and they support the budget that this Congress passed that reduces by nearly 1 percent discretionary nonhomeland, nondefense spending. They want us to make even larger strides in that same direction.

We know that rooting out waste, fraud, and abuse is not going to be an easy project; it will be a long-term project, but over the next few months, we will be coming back to the floor to talk just about that issue, and I invite my colleagues to join me.

**REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF
H.R. 2744, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 2006**

Mr. PUTNAM, from the Committee on Rules, submitted a privileged report (Rept. No. 109-105) on the resolution (H. Res. 303) providing for consideration of the bill (H.R. 2744) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2006, and for other purposes, which was referred to the House Calendar and ordered to be printed.

**REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF
H.J. RES. 27, WITHDRAWING THE APPROVAL OF THE UNITED STATES FROM THE AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION**

Mr. PUTNAM, from the Committee on Rules, submitted a privileged report (Rept. No. 109-106) on the resolution (H. Res. 304) providing for consideration of the joint resolution (H.J. Res. 27) withdrawing the approval of the United States from the Agreement establishing the World Trade Organization, which was referred to the House Calendar and ordered to be printed.

UNITED AIRLINES PENSION CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Ms. SCHAKOWSKY) is recognized for 5 minutes.

Ms. SCHAKOWSKY. Mr. Speaker, first of all, I will submit for the RECORD an article in the New York Times entitled, "Pension Loopholes Helped United Hide Troubles."

The article, by Mary Williams Walsh, discusses loopholes in the current laws that allow corporations to grossly underfund their employees' pensions, and to do so legally. They use accounting tricks to give the appearance of healthy financial standing; and as Senator GRASSLEY says, "We saw similar practices and events at Enron but, unfortunately, this time it is perfectly legal."

These companies keep the poor health of their pension funds hidden from the public until they decide to terminate them, as United Airlines currently is doing. United knowingly underfunded its pension fund as it faced bankruptcy, shielding from its workers the truth about their retirement futures.

I would like to share two statements from hard-working people in Illinois who are personally affected by pension-accounting sleight of hand. These statements are from the more than 2,000 dedicated United Airlines employees and retirees who submitted testimony to the online hearing that the

gentleman from California (Mr. GEORGE MILLER) and I held highlighting the United pension crisis and clearly showed just how devastating losing one's retirement security can be.

The first letter is from Joseph Krist, Jr., Schaumburg, Illinois: "I am 68 years old and worked for United Airlines at O'Hare Field as an aircraft mechanic from September 1959 until October 2000. I was an aircraft mechanic in the United States Air Force from 1954 to 1958.

"My job at United Airlines was very challenging. We accomplished much work outside in all kinds of weather. In the winter months, if the hangars were full, the work was done outside with one man working while another would hold a heater on his hands. We worked with all kinds of hazardous fluids, which has given me and many of my fellow mechanics cancer and other medical problems. My oldest son was a mechanic for United for 11 years when he came down with leukemia and died 9 weeks later at the age of 34.

"Now that the pensions are being dropped by United Airlines, dumping it on the PBGC, we will be losing more of the money promised to us. I do not live high on the hog. We have two older cars and a 28-year-old house in Schaumburg, Illinois, which still carries a \$124,000 mortgage on it. We presently have this house on the market, as we will not be able to afford the mortgage and the real estate taxes with the estimated reduction in our pension. How will we pay for the increased cost of gas and other living expenses in the years ahead? How will we pay for medical insurance, treatments, and prescriptions?

"The thousands of people and their families who are being hurt by allowing United Airlines to terminate our pensions will surely snowball and affect everyone in the country as more companies shirk their responsibilities. We need someone to support us and give the retirees who sacrificed and dedicated their lives to making this airline and country great the money they earned by the sweat of their brow."

Another one from Karen Harvey-Kincaid of Streamwood, Illinois, and she writes to Congressman MILLER:

"I have been a United flight attendant for 20½ years, never missing a trip, never being late for check-in. I have truly been the friendly skies. I am now 46 years old, not old enough to retire from United, and not young enough to start over at another company. The truth is I do not want to work anywhere but United. But will I be able to afford to work there? I am not talking about the financial toll this has taken on me. It's the emotional roller coaster they have put us through for the last 2½ years. I honestly believe my health, sleeping, and eating habits have all suffered.

"I am now divorced after 12 years of marriage. I didn't take half of my husband's pension because I wanted to

keep mine. If I only would have known. I lie in bed at night worrying if I will lose my house, thinking how many more trips can I pick up this month, knowing that I am paid \$9 per hour less, paying for all of my benefits, losing thousands in vacation pay, and now, a reduced pension.

"I implore you to use this letter as part of your CONGRESSIONAL RECORD. I have tears in my eyes as I write this. I got up at 4:15 a.m. and walked into my house at 7:21 p.m. tonight, after going to San Francisco and back. I welcomed and made happy all 694 passengers today. I only wish I was welcomed and happy at work."

That is again from Karen Harvey-Kincaid from Streamwood, Illinois, one of the more than 2,000 people who wrote to tell their personal stories, how they are being affected by the loss of their pensions. This may only be the beginning, Mr. Speaker, of what we hope will not be the opening of a floodgate of companies that want to escape their pension responsibilities.

[From the New York Times, Jun. 7, 2005.]

PENSION LOOPHOLES HELPED UNITED HIDE TROUBLES

(By Mary Williams Walsh)

Loopholes in the federal pension law allowed United Airlines to treat its pension fund as solid for years, when in fact it was dangerously weakening, according to a new analysis by the agency that guarantees pensions. That analysis is scheduled to be presented at a Senate Finance Committee hearing today.

A second report, by the comptroller general, found that most companies that operate pension funds are using the same loopholes. Those loopholes give companies ways—all perfectly legal—to make their pension plans look healthier than they really are, reducing the amount of money the companies must contribute.

United's pension fund failure is now the biggest since the government began guaranteeing pensions 30 years ago. Most companies are able to keep their pension plans going, despite the chronic, hidden weakness, because they are generating enough cash to meet their obligations to current retirees. Only when a company files for bankruptcy, as United did in December 2002, and terminates its pension plan, as United has, does the government step in and make the plan's true economic condition apparent.

"We saw similar practices and events at Enron, but unfortunately, this time it's perfectly legal," said Senator Charles E. Grassley, the Iowa Republican who is chairman of the finance committee. He said he had scheduled today's hearing because he wanted to find ways to keep pension disasters like the \$10 billion failure at United from happening at other companies.

"The rules are full of serious holes that need to be fixed as soon as possible," Senator Grassley said. "No one should make the mistake that this is an airline-only problem. The reality is that companies everywhere have used the same arcane pension-funding rules" to shrink their contributions.

Many analysts believe that the federal Pension Benefit Guaranty Corporation will one day require a bailout because it has been forced to pick up a number of large failed private pension plans. The more big defaults there are in the meantime, the more the eventual bailout will cost.

The federal pension law was enacted in 1974 after a number of scandals in which compa-

nies went bankrupt and their workers discovered there was little or nothing set aside to pay the pensions they had been promised. The law was supposed to make pension failures a thing of the past by requiring companies to set aside money in advance—enough each year to pay the benefits the work force earned that year.

The law also required that if a pension fund got into trouble, its sponsor was to quickly pump in more money, warn its employees about the problem and pay higher premiums to the federal pension insurance program.

United did none of those things, even as its pension fund withered, because its calculations were making the fund look healthy. The fund is made up of four individual plans for various groups of employees.

United's calculations followed the letter of the law until July 2004, when the airline announced that it owed \$72.4 million to its pension fund but would not make the contribution. By that time, the company had filed for bankruptcy protection.

The \$72.4 million would have done little good by then, because the pension guaranty agency told the bankruptcy court that the pension fund had a shortfall of \$8.3 billion.

In its analysis, the Pension Benefit Guaranty Corporation found that in 2002, when United was determining how much it had to contribute to its four plans, it calculated that the plans for its pilots and its mechanics each had more money than needed. It further calculated that the plans for its flight attendants and its managerial workers were close to being fully funded, and did not need any special attention.

On the basis of those calculations, United, a unit of the UAL Corporation, made no pension contributions that year.

Those numbers are on file with the Labor Department. But they do not square with the pension numbers United provided to the Securities and Exchange Commission. That agency requires companies to calculate pension values in a different way. At United, that method showed the four pension plans to be only 50 percent funded; that is, they had only half as much money as they needed to make good on United's promises to its workers.

Pension calculations done for S.E.C. filings have nothing to do with the rules for calculating contributions. But had United been required to use the S.E.C. pension numbers to determine its contribution that year, it would have had to pump money into the plans quickly. The pension law requires companies to make special catch-up contributions any time their pension funds fall below an 80 percent funded level, or even when they fall below 90 percent funded, if they stay at those levels for several years. A plan that was only 50 percent funded would be considered a real emergency.

But the law allowed United to say its pension plans were fully funded, or nearly so, and, therefore, no more money was needed. United's employees were not informed that anything was amiss, as the law requires of badly weakened plans. Nor did United have to pay the higher premiums to the pension guaranty agency that the law expects.

The discrepancy between a company's pension report to the S.E.C. and the Labor Department is but one example of the problems. At today's Senate hearing, David M. Walker, the comptroller general, is expected to testify that companies have so many ways of tweaking their pension calculations that they almost never have to make the special catch-up contributions that Congress required of plans that are slipping.

A recent study by the Government Accountability Office, which Mr. Walker runs, examined eight years of records for the nation's 100 largest pension funds, and found

that only six plans in the entire group ever had to pay the special contributions in that period.

For two of the plans, it was already too late by the time the special contributions came due. Years of insufficient contributions had taken their toll, and those plans collapsed and were taken over by the government.

The G.A.O. study attributes some of the misleading pension math to the use of inappropriate actuarial assumptions in projections and some to a process called "smoothing," in which actuaries attempt to eliminate short-term volatility by spreading changes over several years.

But the pension agency's analysis of United's case shows that the rules for tracking contributions made in prior years have also caused a great deal of trouble. The rules allow companies that put in more than the required minimum in any given year to keep the excess amount on their books and to use it to offset their required contributions in years when cash is tight.

These excess contributions from the past are kept in a running tab called a credit balance.

The trouble is that at United, as at many companies, money contributed in the 1990's was invested in assets that lost value during the bear market that began in 2000. But the pension rules allow companies not only to keep their pension credit balances on the books at the original amount, but they are even permitted to allow their credit balances to compound in value at some interest rate determined by the plan's actuary.

When United's calculations finally began to show that contributions were quickly needed, in 2003, the airline was able to satisfy the requirement with just a small amount of cash and lots of bookkeeping entries from its credit balance.

Senator Grassley said he believed many companies were "booking phony investment gains to hide that workers' pensions are going down the tubes."

He said he hoped the hearing would lead to legislation that would eliminate the loopholes that made such maneuvers possible.

In a later session today, the finance committee is scheduled to hear from executives of some of the major airlines, and from the leaders of some of the unions for airline employees.

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SALUTING THE DOC AND JOHNNY SHOW

The SPEAKER pro tempore (Mr. MACK). Under a previous order of the House, the gentleman from Florida (Mr. KELLER) is recognized for 5 minutes.

Mr. KELLER. Mr. Speaker, I rise tonight to pay tribute to two central Floridians marking a special anniversary. Doc Holliday and Johnny Magic have been a team on the Orlando airwaves for 15 years now.

In an industry where many hear the words "you are fired" more often than Donald Trump's would-be apprentices, the Doc and Johnny Show on XL 106.7 has stood the test of time. These guys are like gum under a bus seat. They have survived four presidents, three hurricanes, and have gotten themselves in trouble too many times to count.

The idea for the Doc and Johnny show came the way many great ideas

in this country come about, over a beer. Doc Holliday is a huge sports fan with a reputation for enjoying the big game with a big beverage. Johnny Magic is a single guy in his 40s, loved by the station's female fans, which sort of makes him the Fonz of Orlando.

They have worked together 15 years and are still going strong. And behind one of the most successful morning radio shows in Central Florida are two men who have shown a strong commitment to making my home town of Orlando a better place. Let me give you three examples.

First, in 1991, Doc and Johnny helped 30 needy families make sure they had Christmas presents under the tree for their children. Last year, the Baby DJ Program help make sure 5,000 kids had toys at Christmas. It is a program I am proud to have personally donated to.

Second, after the events of September 11, 2001, Doc and Johnny broke from their regular format and instead had numerous elected and law enforcement officials on their radio show to make sure the people of Orlando had the very latest information on the war in terrorism in what was a very uncertain time for our Nation.

Finally, when my State was hit last summer with hurricane after hurricane, Doc and Johnny's Neighbor Helping Neighbor program set up shop at a local mall and gave listeners a place to donate and pick up hurricane relief supplies, all free of charge.

When I asked their long term sidekick, Grace Vazquez, her favorite memory about Doc and Johnny, she wrote about a time when the show was on the road in Key West. Grace fell off a moped and broke her arm. Through it all she writes, "One, they never left my side. Two, they still made me laugh. Or maybe it was the painkillers".

Mr. Speaker, Doc may be a fast-talking guy from New Jersey, and Johnny may be a southerner from North Carolina, but my home town of Orlando, Florida, is a better place because they decided to make their home there. I wish them a happy 15th anniversary on their radio show.

SMART SECURITY AND THE CASE FOR LEAVING IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, the common theme to the war in Iraq has been the Bush Administration's ability and willingness to mislead the American people. First, they misled about weapons of mass destruction. Then, nearly 2 years ago, they falsely declared the end of major combat operations.

Now they are openly declaring success of the mission, and President Bush regularly speaks of an increasingly democratic Iraq. This assessment suggests the degree to which the President fails to comprehend the disastrous lack

of security that has plagued Iraq over the last 2 years. Personally, I am frightened that our own President has such a failed understanding about the reality of the war that he started.

Just as disturbing were recent comments by the Vice President, DICK CHENEY. In an interview, he said that the Iraqi insurgency was in its last throes. I am not sure which press reports the Vice President has been reading, but somehow I do not think his optimistic assessment of Iraq's insurgency is grounded in fact.

Unfortunately, misleading assessments of the war like these do not magically secure Iraq from the true threats that it faces; and the true threats are an increasingly strengthened Iraqi insurgency, encouraged by the continued U.S. military occupation.

On the ground, a violent wave of car bombings and other attacks killed 80 U.S. soldiers and more than 700 Iraqis in the month of May alone. Vice President CHENEY calls this the last throes?

At some point, the Bush Administration needs to admit what the rest of the American people know, that its current strategy in Iraq is failing. Recent polls show that 58 percent of Americans disapprove of the President's handling of the situation. Now it is time for the President to start listening to the American people.

Members of Congress in both parties understand that our Iraq policy is a disaster. When the House recently debated the Defense Authorization Act for fiscal year 2006, 122 Democrats, 5 Republicans and 1 Independent, totaling 128 Members of Congress, voted in favor of my amendment expressing the sense of Congress that the President should establish a plan for the withdrawal of troops from Iraq.

Mr. Speaker, Americans are less secure, not more secure as a result of the war in Iraq. This war has created a whole new generation of terrorists whose common bond is their hatred for the United States and our aggressive militarism.

Unfortunately, we do not follow a smart plan, but fortunately there is a plan that would secure America for the future, the Smart Security Resolution, H.Con Res 158, which I recently reintroduced with the support of 49 of my House colleagues. Smart is a sensible, multilateral American response to terrorism for the 21st century; and it will help us address the threats we face as a Nation. Smart security will prevent acts of terrorism in countries like Iraq by addressing the very conditions which allow terrorism to take root: poverty, despair, resource scarcity, and lack of educational opportunities, as starters.

Instead of rushing off to war under false pretenses, smart security encourages the United States to work with other nations to address the most pressing global issues, dealing with global crises diplomatically instead of resorting to armed conflict.